

SUBCOMMITTEE NO. 3

Agenda

Committee on Health and Human Services

Chair, Senator Alex Padilla
Senator Elaine Alquist
Senator Roy Ashburn
Senator Gilbert Cedillo
Senator Dave Cox
Senator Bob Huff
Senator Mark Leno
Senator Leland Yee



December 16, 2008

1:00 P.M.

Room 4203

(Staff: Diane Van Maren)

Senate Budget and Fiscal Review Subcommittee #3 on Health and Human Services

Senate Republican's Proposed Solutions for Special Session (December)

(Issues not previously discussed in December 10, 2008 Subcommittee hearing.)

| | Program Reduction | 2008-09 | 2009-10 | Total | Source |
|---|--|----------------|----------------|-----------------|---------------|
| 1 | <p>The Mental Health Services Act (MHSA)--Proposition 63 of 2004. The Act imposes a 1 percent income tax on personal income in excess of \$1 million. These tax receipts are reconciled and deposited into the MHSA Fund on a "cash basis" (cash transfers) to reflect funds actually received in the fiscal year. Therefore, there is a difference in projected revenues and the amount actually deposited into the MHSA Fund for expenditure. The Act provides for a continuous appropriation of funds. Most of the Act's funding is to be expended by County Mental Health for mental health services consistent with their approved local plans (3-year plans) and the required six components as contained in the Act. The Republican proposal, which requires a vote of the people, would redirect all MHSA Funds to backfill for General Fund support expended in <i>any</i> mental health program at the discretion of the Legislature.</p> | \$2.4 billion | \$1.5 billion | \$3.9 billion | Republican |
| 2 | <p>Proposition 10--California Children and Families Act of 1998. Proposition 10 revenues, obtained from cigarette and tobacco taxes, are presently used to support programs for children aged 0 to 5, including school readiness, health care, and early childhood development. Proposition 10 revenues are continuously appropriated as directed by the proposition. As proposed by Senate Republicans, Proposition 10 revenues would be used to backfill for General Fund support in state-operated children's health and human services programs (aged 0 to 18 years) in order to obtain savings. This proposal assumes that a one-time balance from 2008-09 is redirected for expenditure, and all ongoing revenues thereafter are redirected. It should be noted that at this time the LAO could not verify the amount identified as a balance for 2008-09. Requires a vote of the people.</p> | \$1.5 billion | \$ 614 million | \$2.114 billion | Republican |